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Kentucky. Governor

COMMONWEALTH OF KENTUCKY.

GOVERNOR'S MESSAGE.

ADJOURNED SESSION, 1871-'2.

1873.

Yeoman Office—S. I. M. Major, Public Printer.

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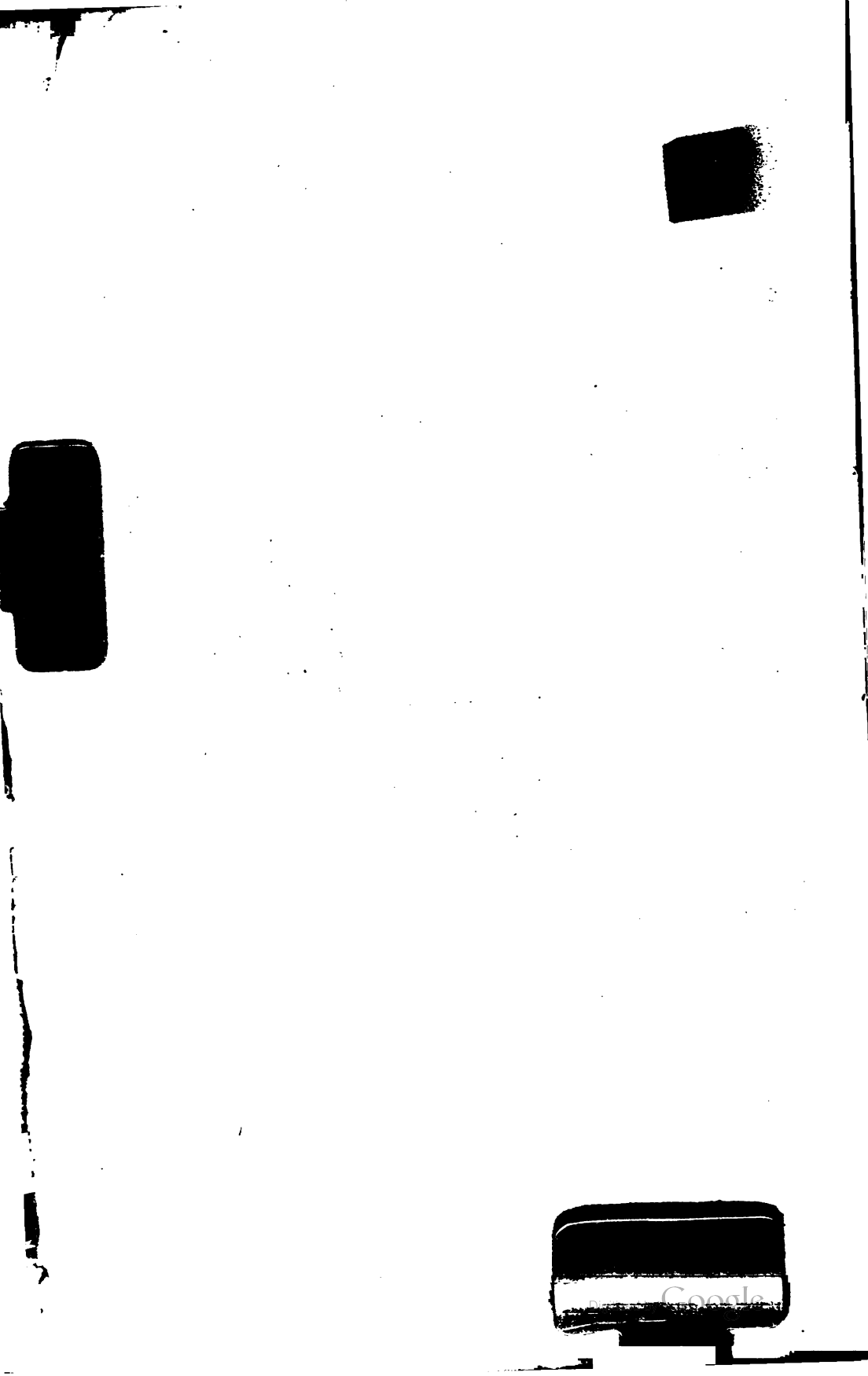

Kentucky. Governor

MESSAGE

OF

GOVERNOR PRESTON H. LESLIE,

TO THE

Y,

Compliments of

Governor P. H. Leslie.

ADJOURNED SESSION OF THE LEGISLATURE OF 1871 '2.

FRANKFORT, KY.:
PRINTED AT THE KENTUCKY YEOMAN OFFICE.
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1873.

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GOVERNOR'S MESSAGE.

Fellow-Citizens of the Senate and House of Representatives:

In accordance with the provision of the Constitution, requiring the Governor, from time to time, to "give to the General Assembly information of the state of the Commonwealth, and recommend to their consideration such measures as he may deem expedient," I have the honor to submit to you the following message. Before, however, entering upon the discussion of the various subjects of which it treats, permit me to congratulate you, upon your return to the Capital, that in the interval of your recess the State has enjoyed a season of prosperity and of health. With the husbandman rewarded by a fair, if not abundant, harvest, and trade and manufactures increasing under the natural impetus afforded by the opening of new channels, we have abundant reason to be grateful to Providence for His protecting care.

STATE DEBT PROPER.

It is a source of congratulation and just pride to be able to state that our finances are in a most healthy and prosperous condition. At the close of the fiscal year ending the 10th day of October, 1871, the bonded debt of the State (exclusive of the school debt, which is a permanent loan, and not therefore redeemable) was $1,069,394, though stated in my last annual message at $1,000 less, upon mistaken information. Since that period there has been redeemed and canceled, up to and inclusive of 10th of October, 1872, bonds amounting in the aggregate to $303,000, leaving unpaid, due and not due, $766,394. To this amount must be added $200,000 of bonds issued under the provisions of the act approved January 18, 1872, to provide for the deficit in the Treasury on account of the Revenue Proper.

This latter class of bonds are payable in five years from date of issue, but redeemable in one year, at the pleasure of the State. It will be thus seen that the whole amount of the redeemable bonded indebtedness of the State, at the close of the fiscal year on the 10th

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day of October, 1872, was $966,394 00. The bonds outstanding and unredeemed at this date were as follows, to-wit:

6 per cent. bonds past due	$85,394 00
5 per cent. bonds past due	5,000 00
6 per cent. bonds falling due between the 10th October, 1872, and the 1st of January, 1873	87,000 00
6 per cent. bonds maturing in 1873	246,000 00
5 per cent. bonds maturing in 1873	60,000 00
6 per cent. bonds maturing in 1874	129,000 00
6 per cent. bonds maturing in 1875	20,000 00
6 per cent. bonds maturing in 1876	2,000 00
6 per cent. bonds maturing in 1894	111,000 00
6 per cent. bonds maturing in 1895	60,000 00
6 per cent. bonds maturing in 1896	5,000 00
8 per cent. bonds maturing in 1873 or 1877	200,000 00
Total	$966,394 00

The means at the command of the Commissioners of the Sinking Fund for the redemption of the foregoing amount of indebtedness, and the interest thereon, are as follows, to-wit:

Balance in Treasury on the 10th of October, 1872	$544,623 80
Amount of loan to Farmers' Bank, at five per cent. interest, on collateral security	200,368 00
Amount of loan to Bank of Kentucky, at five per cent. interest, on collaterals	400,000 00
Amount of balance of proceeds of sale of Kentucky Bank stock, at six per cent. interest	547,000 00
Amount in Treasury not transferred	12,028 33
Amount of balance due on loan to Kentucky River Navigation Company	4,000 00
406 shares of stock in Bank of Louisville	40,600 00
260 shares of preferred stock in Louisville, Cincinnati, and Lexington Railroad Company	26,000 00
2,178 shares of stock in Lexington and Frankfort Railroad Company, estimated to be worth	108,900 00
Bonds of Louisville and Frankfort Railroad Company	74,519 50
Stock in turnpike roads, estimated to be worth	254,433 96
Amount borrowed by Revenue Department under sundry acts of the Legislature	207,919 13
Total resources	$2,420,392 72

In addition to the foregoing resources, the State has unadjusted claims against the Federal Government, for advances made during the war, amounting to $505,478 52, which the Quarter-Master General is preparing, as rapidly as possible, for adjustment by the

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proper accounting officers in the Treasury Department at Washington. That these claims will, at no distant day, be fully audited and paid, I cannot allow myself to doubt, inasmuch as they are founded in right and justice, and the principle of law on which they are based has already been settled by the proper authorities. I have also hope and confidence that Congress will provide by appropriate legislation for the payment of interest on all the advances made by the several States in the Union during the war for war purposes. Not to do so would be sheer injustice and wrong.

REVENUE PROPER.

In my last message I drew attention to the fact that the receipts into the Treasury for the payment of the current expenses of the State were not sufficient for that purpose, and that a deficit of $105,411 86 existed as a consequence in what is known as the Revenue Proper. I also took occasion to urge the importance of not only supplying that deficit, but that such legislation should be had as to prevent its recurrence. The suggestions then made, I regret to say, were only adopted so far as was necessary to supply the stated deficit. The consequence is that we have again a deficit still larger than before in the same fund in the Treasury.

The receipts into the Treasury to the credit of the Revenue Proper from the 11th day of October, 1871, to the 10th day of October, 1872, were as follows, to-wit:

Amount received from sheriffs		$738,707 09
Amount received from corporations		269,910 79
Amount borrowed under act of January 18, 1872		200,000 00
		$1,208,617 88
Amount of expenditures from 10th of October, 1871, to 10th of October, 1872	$1,468,572 69	
Add deficit of October 10th, 1871	105,411 86	
		1,573,984 55
Amount of excess of expenditures over receipts on 10th of October, 1872		$365,366 67

The foregoing figures exhibit the fact that the expenditures for the fiscal year ending the 10th day of October last exceeded the expenditure of the previous fiscal year $170,084 20, whilst the receipts (exclusive of the amount borrowed) were only increased $15,541 25.

It is proper to remark in this connection that the increased expenditures of 1872 over those of 1871 is attributable principally, if not

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altogether, to the fact that a large amount of claims and unpaid balances of appropriations made by former Legislatures against the Treasury, that ought to have been paid in 1871, were not paid until 1872, in consequence of the deficit in the Treasury.

The total estimated receipts for the fiscal year ending the 10th day of October, 1873, are $1,024,460 03, and the total estimated expenditures for the same period are placed at $1,476,469 13, showing (if these estimates should prove to be correct, as I do not doubt they will) that the expenditures of the current fiscal year will exceed the receipts $452,009 10. To this deficit must be added the deficit of $365,366 67 which existed on the 10th day of October, 1872, which will make the total deficit on the 10th day of October next, the close of the current fiscal year, $717,375 77.

It is scarcely necessary that I should urge upon you the great importance of not only providing for this large deficit by appropriate legislation, but that you make such provisions as to prevent any future deficit in the Treasury.

The simple statement of the facts and figures submitted to you will be sufficient, I trust, to impel you to a faithful discharge of the most important duty confided to you by the people of the State.

It seems to me that we have now reached the point in our financial affairs when we can safely, prudently, and constitutionally, divert a very large portion of the receipts which now go into the Sinking Fund, into the Revenue Proper, and thus relieve, to a great extent, the present embarrassed condition of the Treasury.

I have shown that the whole redeemable bonded indebtedness of the State is only $966,394, and I have also shown that we have in the Treasury to the credit of the Sinking Fund $544,623 80; and in addition, we have loaned to the Bank of Kentucky and the Farmers' Bank the aggregate sum of $1,147,368, which is bearing five and six per cent. interest—making the total aggregate of $1,691,991 30 in cash and available cash assets, to say nothing of other loans, stocks, and bonds, with which to redeem and cancel said bonded indebtedness of $966,394. The holders of our State bonds have been notified, in person and by public advertisement, in two of the principal newspapers published in the city of New York last spring, of our readiness and desire to pay off the State bonds, with accrued interest, and without any discount; but they have declined to receive the money and surrender the bonds. I do not, therefore, have much hope of redeeming the bonds till they fall due, or the time shall arrive when

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we have the legal right to tender payment, and thereby stop interest. When these bonds are redeemed there will be no further charge on the Sinking Fund than the interest on the school debt. This debt amounts to $1,625,068 60, and the annual interest on it to $97,504 11. So that there can be no possible necessity for continuing to pay into the Sinking Fund the whole amount of the present receipts of that fund. The five cents on each one hundred dollars of the taxable property of the State, which is now collected and paid into the Sinking Fund, will be more than sufficient to meet the interest on the school debt. The Auditor estimates that this tax alone will realize $194,615.

In view of the facts submitted, I respectfully recommend that an act be passed authorizing and directing the Commissioners of the Sinking Fund to invest so much of the cash and cash assets on hand belonging to the Sinking Fund, in five-twenty gold-bearing interest bonds of the United States, or other equally good and convertible securities, as will be amply sufficient, in any contingency, to pay off and fully discharge the outstanding redeemable bonds of the State; and that said securities shall be held and used by said Commissioners for the purpose stated, and for no other. I further recommend the passage of an act directing that all the balance of the resources of the Sinking Fund, except the five cents now imposed by law on the one hundred dollars' worth of the taxable property of the State, be diverted into, and used for purposes of, the Revenue Proper.

It must be borne in mind that, for the last ten years or more, whilst the Sinking Fund has been plethoric with money—holding far more than it had any use for—the Revenue Proper has been constantly short and insufficient to meet the necessary demands upon it, without borrowing from the former fund. This state of things has resulted mainly from the character of legislation which has been enacted in regard to our finances, and was prompted, doubtless, by a noble and commendable pride to care for and protect the honor and credit of the State abroad. But there exists no longer any reason why the resources of the Sinking Fund should be retained in such undue proportions and to the neglect of the Revenue Proper. On the contrary, every consideration of interest and public policy demands that the one should be diminished and the other increased.

It has been shown that the present resources of the Revenue Proper are totally inadequate to pay the current expenses of the State, and that they must be increased. Should the legislation sug-

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gested be adopted, we will not only be able to pay off and discharge the deficit existing and due to the Sinking Fund for loans made, but the resources for the payment of the current expenses of the State will be increased, as is estimated, not less than $250,000 per annum. In my last annual message to your honorable body I used the following language:

"An act was passed and approved 22d March, 1871, entitled 'An "act to change the time for the payment of the revenue into the "Treasury, and to amend the revenue laws.' The effect of this act "has already been to increase the embarrassed condition of the "finances, by diminishing the receipts into the Treasury at a period "of the year when money is most needed, and at the same time "retarding the collection of the public revenue. The effect of this "act is virtually to extend to the sheriffs and other revenue collectors "time until the fourth Monday in June in which to pay into the "Treasury the public revenue, inasmuch as no judgment can be "taken against them until that time, there being no fiscal court "earlier than that date. In my judgment this act is a serious injury "to the financial interests of the State, without any corresponding "benefit to the people. I therefore recommend its repeal.

"The present system of assessment and valuation of the landed "property of the State for taxation has been a subject of much "thought and reflection with me, and demands most serious consid- "eration at your hands. No system of taxation can be just without "being equal, or as nearly so as practicable. It certainly is the wish "of all the people of this State to be just to each other, and to have "the burthens of taxation equally distributed. Yet this is far from "being so. An examination of the Auditor's Report will show how "unequal and unjust are the present assessed values of the lands of "the State. In some few counties they seem to be valued full high, "whilst in a great majority of the counties they are assessed at an "average rate not exceeding half their value. I most respectfully "call your attention to this evil, and recommend that you pass some "act which will secure its correction.

"It will doubtless become your duty to make appropriations of "various sums of money from the public Treasury during your term "of office. I shall cheerfully co-operate with you in all proper and "just appropriations, yet I urge the strictest economy in all such leg-

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"islation; and I especially recommend that no bill be passed appro-
"priating money without providing for its payment."

I respectfully renew these recommendations, and commend them most earnestly to your consideration. It will be recollected that I drew attention in my last message to the fact, that the largely increased expenses of the State was mainly attributable to the necessarily increased outlay, from year to year, for the support and maintenance of the afflicted classes of our people, and for the prosecution of criminal offenders against the laws. I again call your attention to the same facts, and for the more thorough understanding of them, I submit the following tabular statement, furnished to me by the Auditor, showing the amount paid out of the Treasury, from 1866 to 1872, inclusive, on account of the several charities of the State, the expense of prosecuting criminals, and their confinement in prison:

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A STATEMENT *showing the amount paid out of the Treasury to each of the several named Charitable Institutions, &c., of the State of Kentucky, for the years* 1866 *to* 1872, *inclusive, together with the total amount paid, and amount of revenue collected during same time, viz:*

Names.	1866.	1867.	1868.	1869.	1870.	1871.	1872.	Totals.
Eastern Lunatic Asylum	$44,537 50	$119,535 50	$124,419 00	$86,233 50	$63,271 80	$119,464 00	$138,977 00	$696,438 30
Western Lunatic Asylum	93,275 00	67,325 00	55,077 66	55,825 00	58,680 00	69,843 60	82,416 64	482,442 90
Blind Asylum	12,449 46	11,325 85	32,819 15	11,860 00	10,958 45	22,728 98	23,105 00	125,246 89
Deaf and Dumb Asylum	17,717 52	13,676 47	19,804 85	19,478 18	14,424 01	20,890 95	23,569 15	129,561 13
Feeble-minded Institute	10,720 13	10,836 34	12,503 64	39,158 62	25,344 00	31,010 39	24,270 72	153,843 84
Kentucky Penitentiary	38,917 00	66,184 00	56,820 79	6,424 50	----------	4,691 50	25,203 33	198,241 12
Criminal prosecutions	103,154 73	125,102 37	92,805 00	95,839 79	81,661 01	93,336 18	115,400 43	707,299 51
Jailers	99,710 66	108,688 91	99,303 01	92,805 08	74,787 77	90,966 70	119,566 03	685,828 16
Idiots	22,876 61	19,885 09	19,316 02	20,899 83	19,063 89	19,656 95	26,751 59	148,449 98
American Printing House for the Blind	----------	2,580 00	----------	----------	----------	----------	3,580 00	6,160 00
Conveyance of lunatics	4,143 89	4,095 47	4,429 29	5,285 42	4,456 08	4,111 15	3,896 69	30,417 99
Conveyance of convicts	----------	----------	----------	----------	----------	----------	11,763 85	11,763 85
House of Reform	----------	----------	----------	12,549 30	10,961 40	28,710 00	15,862 40	68,083 10
	$447,502 50	$549,235 00	$517,298 41	$446,359 22	$363,608 41	$505,410 40	$614,362 83	$3,443,776 77
Revenue collected (proper)	917,378 45	942,555 11	1,049,107 39	985,014 38	924,602 11	993,076 63	1,008,617 88	6,820,351 95
Surplus	$469,875 95	$393,320 11	$531,808 98	$538,655 16	$560,993 70	$487,666 23	$394,255 05	$3,376,575 18

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I invite your close attention and scrutiny to the facts and figures set forth in the foregoing table, and submit for your consideration whether it is practicable to reduce these expenses without detriment to the public welfare.

I have the satisfaction of announcing to you that, since your adjournment, in March last, $525,258 72 of the claims of the State against the Federal Government for advances made during the war have been collected, and paid into the Treasury. Too much praise cannot be awarded Quarter-Master General Fayette Hewitt for the energy, skill, and perseverance which he exhibited in bringing to a satisfactory settlement this much of our demands against the General Government. He spent many months of constant and wearying labor at Washington to bring about this result, and has received no other compensation for his services than his salary as Quarter-Master General, his expenses, and the consciousness of duty well-performed.

In view of the services rendered, and the arduousness of the duties performed, it occurs to me that it would be but a just compliment to him to award to him a reasonable compensation for the extra services rendered, and I recommend that the same be done.

TURNPIKE STOCK.

The amount of dividends received by the State on her stock in turnpike roads the last year—$27,847 45, and $20,855 55 the year preceding—demonstrate the wisdom of the Legislature in repealing last winter the law which provided for a sale of said stock. It will be seen that the dividends will amount to more than fifteen per cent. interest upon the sum for which the sale was about to be effected; and, indeed, the stock is worth double the amount for which it was authorized to be sold, and at which it is estimated in stating the resources of the Sinking Fund. This stock cost the State $2,716,894 80, and inasmuch as so large a sum has been gathered in taxes from the people and vested in these stocks, it is the duty of the General Assembly to legislate so as to have it taken care of and made to contribute to the public revenue. The dividends to the State upon its stock in these roads were set apart, both by statute laws and the Constitution, years ago, for the payment of the public debt, and for that purpose are made payable to the Sinking Fund. The State owns the larger portion of the stock in each road, the remainder being owned by individuals. Each road is managed by a board of

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directors elected annually, according to the charter, by the stockholders. The State has thus gone into partnership with individuals, and is now a member of each one of fifteen or twenty companies. The entire management and conduct of the business of the company are vested in the directors. Experience has shown that such partnerships always result in loss to the State; but inasmuch as so large a sum of the public money has been invested in these stocks, we cannot relinquish our interest in them, and should be vigilant in securing to the State the largest income from the dividends consistent with a due and just regard to the public convenience and the welfare of the communities in which these improvements are situated.

The present system of management is not yielding to the State its fair and just amount of dividends, nor is it satisfactory to the individual stockholders. I am satisfied that a change can be made in this respect beneficial to all parties. As the law now stands, the Governor may appoint individuals to cast the vote of the State for directors in these companies; but beyond this there is no provision made by law for any person representing the State's interest to look into the conduct and management of the business of the company. How much of the earnings of the road is voted away as salaries to officers; what rules and regulations are provided for the collection and faithful paying over of the tolls; how much is paid out for repairs, improvements, labor and material; and how much liberality is indulged in giving passage over the road free of charge, are important questions to which the State gets no answer, having no one appointed by law to investigate and make report on the subject. Whilst the legislation of the State has protected and carefully guarded its other revenues, this one has been singularly neglected. I feel impelled by a sense of public duty to call your attention to it, and recommend that you provide by law for the appointment of a "Commissioner of Turnpike Stocks," who shall be required to take an oath, execute bond, and give his personal attention to the selection of every board of directors in these companies; that he be required to overlook the entire government and conduct of the companies, and make report, showing the operations of each company in detail. This, I am sure, will greatly augment the dividends to the stockholders, enhance the value of our stock, and give greater satisfaction to all who use or are interested in the roads.

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COST OF RECORD BOOKS.

I invite your attention to the large expenditure, shown by the Auditor's Report, in the purchase of record books for the use of the clerks' offices of this Commonwealth.

For the fiscal year of 1870 there was paid by the State Treasury, on this account, the sum of $11,163 80. For the year 1871, there was paid the sum of $15,286 23; and for the year 1872, there was paid on the same account the sum of $24,638 38—thus showing a steady and rapid increase in the expenditure under this head. I have not examined this account further back than the year 1870, but have no doubt it will be found to have gradually grown from year to year, until it has reached such proportions as to demand the consideration of the General Assembly. It seems to me that the account is too large by far, and that something should be done in order to keep it within proper bounds.

CRIMINAL LAW AND COURTS.

With the exception of a few cases of flagrant violence, the most grievous of which I made the subject of a special proclamation in October, I am happy to state that there has been less manifestation of lawlessness in the State than at any time since the war, indicating that there is not that tendency towards organized violence which at one time was so prevalent. This decrease of such crime is attributable in a great degree to a more healthy public sentiment in condemnation of such acts, and, consequently, a better administration of the law against such offenders.

I feel it, however, my duty again to invite your attention to the propriety of making additional provision by law for the detection, apprehension, and punishment of that class of offenders who, generally in the night and in disguise, assault the persons or depredate upon the property of such as may fall under their displeasure. The statutory provisions for the punishment of ordinary offenses against the law have proved inadequate to the suppression of this form of violence, and whilst I regard the operation of an enlightened public opinion as the surest reliance for its ultimate extinction, nothing which legislative wisdom can suggest should be left undone to secure the punishment of such offenders, or hasten the day when our records shall cease to be disgraced by such crimes.

In my last annual message I discussed this subject at length, and propose now only to say, in addition, that I will cheerfully unite with you in any measures you may provide for the thorough eradica-

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tion of the evil. In this connection I respectfully submit some suggestions in regard to the more efficient administration of justice and the punishment of crimes generally.

The Auditor's Report will show that there has been a large increase in the number of criminal and penal prosecutions in our Circuit Courts within the last twelve months. The costs and expenses of such prosecutions are largely in excess of what they were the year preceding. This, I apprehend, has resulted, not so much from an increase in the number of cases, as from the inability of the Circuit Judges, for the want of time, to try the cases before them.

The cases of the Commonwealth have precedence upon the dockets; and the Clerks, in making up their dockets, in order to distribute the civil suits properly within the number of days allowed for the term, are compelled generally to allot not more than half the time necessary to try the pending prosecutions. The consequence is, that the docket soon becomes deranged, and persons having civil causes, with their witnesses, are kept waiting from day to day at heavy expense, until the pressure on the Judge and Commonwealth's Attorney becomes so great as to induce them to continue, till the next term, the Commonwealth's cases, upon slight grounds. If, however, the Judge had sufficient time, and, upon the calling of a case, it should appear that an important witness was absent, he could postpone it to some other day of the term, and, with the proper exertion, the witness could be brought into Court and the trial progress. But under the pressure as it now exists, in a large majority of the counties, if the witness does not answer at once, the case is continued until the next term, thus duplicating the cost.

A speedy trial is as necessary for the interests of the Commonwealth, and for the suppression of crime, as it is for the accused. The Constitution guarantees it to the latter, and public policy requires it for the former. Owing to the facilities of procuring continuances, on account of the pressure before spoken of, persons guilty of the highest crimes known to the law are enabled to baffle justice for years, and at last escape punishment altogether, from the removal or death of witnesses. Thus the criminal jurisprudence of the State is brought into disrepute among the people, and the more reckless of them resort for a redress of their supposed grievances to the formation of vigilance committees and other unlawful combinations.

There is no clearer proposition than that the government is bound to protect society against the crimes of the lawless. The judiciary

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is the machinery by which it is to be done, and it should be afforded every facility necessary to accomplish the end. The duty is chiefly devolved on our circuit judges, and I take this occasion to say, that, as a class, no State has a more learned, energetic, or faithful body of men discharging the duties of courts of similar jurisdiction. Nor are there in Kentucky any public officers who perform so much labor of mind and body. The difficulty is, that it is impossible for sixteen men to perform the labor which is required of the circuit judges of this State.

The injury to persons having civil suits is equally manifest. The enormous accumulation of costs tends to deter men from seeking redress for injuries in courts of justice, and, consequently, they are tempted to resort to retaliation and violence, as the only alternative left them. No one familiar with the circuit practice can have failed to see that such is the tendency of the public mind.

The Auditor's Report shows that there was paid out of the Treasury, during the fiscal year 1872, on account of criminal prosecutions, including jailers' fees, the sum of *two hundred and thirty-four thousand nine hundred and sixty-six dollars and forty-six cents*, being fifty thousand six hundred and sixty-three dollars and fifty-eight cents more than it cost the year previous. This is about one hundred thousand dollars more than it cost to pay all the judges, Commonwealth's attorneys, and every other State officer who draws his pay from the public Treasury. Of this sum, the jailers received $119,566 03; the remainder is made up of witness' claims and other costs of prosecution. The Auditor's Report shows the total number of criminal and penal prosecutions in the State, for the year 1872, to be 3,384, of which 536 were criminal, and 2,848 were penal; and as it will be recollected that the State pays no cost except in cases of felony, it therefore appears that these 536 criminal cases cost the enormous sum of $234,966 46, which is a fraction under four hundred and fifty dollars for each prosecution. This is an appalling exhibition of the cost of administering the criminal laws. It is hardly credible that crime should cost the people of the State such an immense sum annually, and that, too, when hundreds go unwhipped of justice. It is, I would suggest, a subject which demands a close investigation by the General Assembly. I do not expect, however, to find a remedy for the evil complained of in any mere detection of abuses. I have no doubt that the extraordinary amount of the jailers' fees is largely

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attributable to delays in the trial of persons kept without bail under indictment, and that the expenses of prosecutions are greatly enhanced by the same causes. If the increase shall continue in the same ratio, it will not require many years to bankrupt the Treasury.

I am convinced that the true remedy for the evils referred to—the only certain means of securing at once the prompt and efficient execution of public justice, and a wise economy in its administration—is to be found only in an increase of the judicial department of the Commonwealth. By constitutional limitation the State is inhibited from increasing the present number of circuit court judicial districts until it shall possess a population of fifteen hundred thousand. Were I satisfied that it had attained that number, I would unhesitatingly recommend, as the best method of meeting the wants of the case, the creation of eight additional districts. But as I have not sufficient evidence to convince me that we have the population required, I do not make the recommendation. Debarred from this means of relief, we must resort to other methods of supplying the deficiency. After a careful consideration of the subject, I am satisfied that the institution of criminal courts would prove the most practicable and efficient means of relief, and most conducive to the public good. Should such courts be created, I suggest that they be required to hold three terms annually in each county in which they are established. This requirement, by securing speedy trials, would not only diminish the expense of prosecutions, but, by making the punishment more rapid and certain, and inspiring a greater fear of public justice and a greater reverence for law, would go far to suppress crime in the Commonwealth.

The Circuit Judges being entirely relieved in this mode from the criminal and penal docket, would be enabled to devote more time and give greater deliberation to the trial of civil causes; a large amount of costs would be saved to litigants, and I should confidently expect a considerable diminution of the docket of the Court of Appeals.

I would also suggest that the County Attorney of each county be required to aid the Commonwealth's Attorney in all prosecutions in his county, and for his services be entitled to receive a portion of the fines and forfeitures. This would make it necessary to allow the Commonwealth's Attorney a salary out of the Treasury to compensate him for that per cent. of the fines and forfeitures which would be given to the County Attorney. An efficient and faithful

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County Attorney would be a terror to the evil-doers of his county. He would be of great service in criminal and penal prosecutions. Knowing the witnesses, and where to find them, he could have the proof necessary to develop the truth. The increased degree of skill with which men have learned to conduct and carry on their schemes of vice and wrong has become to be almost a system of warfare upon society generally, and its success demands additional safeguards for society. It is not my purpose, however, to go into detail of the measures of reform. I lay the matter before your honorable body, hoping that your wisdom will devise the proper remedies.

TAXATION FOR CORPORATIONS.

There is another subject to which, impelled by a sense of public duty, I desire to invite the attention of the Legislature. I allude to the facility with which enactments are procured from the General Assembly granting authority to local communities and municipalities to subscribe for stock in corporations proposing to construct railroads or other works of supposed public benefit: Such enactments usually require that the constituted authorities of a community, at such time as they, or a certain corporation itself, may designate, shall submit the question of subscription to a popular vote, and if a majority of the votes cast so order it, shall subscribe for a specific amount of stock in said corporation, and impose a tax for its payment on the citizens and property of the locality.

If it were an original question at this day in Kentucky, whether such enactments are not in excess of constitutional authority, I am satisfied that Legislators, Governors, and Judges, alike would, to say the least, hesitate to acknowledge their validity. On the other hand, such legislation has gone on in our State for a long series of years, during which different Legislatures, including some of the wisest and most patriotic citizens of the Commonwealth, have concurred in such enactments, and each successive Executive has given his official sanction and approval. Above all, the judicial department, to which all questions involving the constitutionality of laws are to be finally referred, and to whose judgment the profoundest respect should be paid, has, in one unbroken chain of decisions, from the case of *Slack vs. The Maysville and Lexington Railroad*, in 1852, and ending with the case recently decided of *Shelby County Court vs. The Cumberland and Ohio Railroad Company*, maintained the constitutional power of the Legislature over the subject.

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It should be observed, however, that not only were dissenting opinions published by able judges in these cases, but an attentive perusal of the decisions themselves will not fail to impress the mind with the conviction that grave and serious doubts were entertained by the judges rendering them. While, therefore, I may not feel at liberty to call in question your constitutional warrant to pass bills of this character, nor in my own action to ignore precedents of such authority, yet I do say, that the evident hesitation and doubt that the courts have had to pass through and overcome, in giving their sanction to such legislation, should excite great caution in legislators when called upon to delegate such power to voting majorities.

Our Constitution, in accordance with that political maxim applicable to all forms of government—that where the power is the checks must be—has, by well-considered restrictions, carefully guarded the citizen from oppression either by popular or legislative majorities. All political power, whether vested in a monarch, an oligarchy, or a popular majority, inherently tends to become selfish, aggressive, and despotic. In a democratic republic the first approaches are usually creeping and insidious—its encroachments quiet and gradual—often the slow and cumulative growth of abuses scarcely perceptible. It soothes the popular apprehension by the agreeable, but delusive doctrine, that the people can do no wrong; whilst to the ambitious politician, with whom the voice of the people is as the voice of God, the popular will is the sanction of the highest law. At length, conscious of its strength, and defiant of restraint, it boldly tramples on the rights of the citizen. In the safeguards and checks of the Constitution alone is provided the means alike of protecting the majority from its own illusions, and preventing its oppression of the minority or the individual citizen. The patriotic statesman, therefore, cannot be too vigilant in detecting, nor too prompt in resisting, every invasion of either the letter or spirit of the organic law.

Whilst the power of the majority is limited to the exercise of the ordinary functions for which government is needed, all is well; but when it invades the rights of property, overleaping the barriers erected as a defense to the fruits of honest industry, and disregards all the checks upon profligate expenditure, burdensome debt, and heavy taxation, under the pretext of developing the resources of the country—in such case the despoiled citizen ceases to enjoy the protection of constitutional government.

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It seems to be thought by some that any measure to burden a community with taxation for the direct benefit of a railroad corporation, can be sanctified by going through the process of a popular vote. Is this so? Can any number of men be rightfully empowered to incumber their neighbors' property for a third or half its value, in order to build a railroad? If such incumbrance, having the effect of a mortgage, can be voted by a majority upon the property of a county, against the consent of the owners, for purposes foreign to the ordinary functions of government, then is property (subject to such exactions) held by a frail tenure indeed. We cannot shut our eyes to the fact that, under the operation of the Fifteenth Amendment to the Federal Constitution, a majority of voters, without either property or intelligence, may impose upon an objecting community of property-owners a burden of debt of which the majority will not pay one cent in the dollar. Some localities in our Commonwealth have already suffered from such an infliction. Whilst we are justly proud that our State debt is so small, and that we have more than sufficient to pay it off, we must recollect that, under the delegation of this power, an aggregate indebtedness has been imposed by voting majorities, and now burdens, not the Commonwealth, but counties and districts, cities and towns, amounting to the sum of fifteen millions of dollars, drawing interest payable semi-annually; and, under existing statutes, majorities are authorized to vote upon the people in other localities yet millions more. The indebtedness under consideration is in the form of bonds given by counties, cities, towns, and districts, which are most generally delivered to the corporations leading the enterprise, by which they are sold for from eighty to ninety cents on the dollar. The proceeds are applied partly in payment of officers' salaries and other expenses of the company, and the residue expended upon the enterprise, which too often, after exhausting the people's money, fails of success, and is sold out for little or nothing to another corporation, which may so use it as to oppress the very people who have impoverished themselves to set it up.

The former legislation of the kind alluded to shows another fact, that large amounts of bonds have been issued and delivered to corporations, without any security whatever to the tax-payers that the enterprise would go forward, or that one dollar of the money would be expended in furtherance of it. And, while it is cause of gratulation that so few of such bonds have been misapplied here in our own

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State, yet, in view of the notorious frauds that have been committed in other States in the use of such bonds, it behooves you, I think, to guard future bills against such dangers. Corporations, in procuring the passage of bills authorizing them to require county courts, or city and town authorities, to order elections on questions of subscriptions of stock, have been allowed too frequently to worry the same people again and again with elections upon the same question. This gives the company an undue advantage; and when a people have been summoned to the polls once upon a question, and have decided against it, they ought not to be subject to frequent repetitions of the same annoyance.

The power of taxation is one of the most delicate of all conferred upon the Legislature. It is not possessed unrestrained and without limit, and it can scarcely be transferred from the Legislature to a mass meeting of the people. It is a power to be exercised by the Legislature with great care and consideration for the welfare of the citizen. The government may rightfully demand and enforce the payment of all taxes by the citizen needful to its support; but this right carries with it the correlative and continuing duty to protect him from unequal and oppressive exactions.

PENITENTIARY.

The Report of the Keeper of this institution will be placed before you, and will show its progress for the last year and present condition. I am glad to be able to announce that the work of enlarging the prison grounds, and erecting sundry new buildings, as provided by an act of the Legislature last winter, has progressed to near its completion, and a full report of it will be made by the Commissioners intrusted with that duty. The improvement is one long needed, and is not only creditable to its projectors and to the State, but secures comfort and encouragement to the fallen female convict. It is a noble charity. I herewith present for your respectful consideration the report of the Inspectors of the Kentucky Penitentiary, made to me on the 17th of this month, and invite your attention to its suggestions.

A sense of public duty has prompted me to a careful study and examination of this important subject, and to present for your consideration a few facts and suggestions.

The State of Kentucky first established its Penitentiary in 1798, the purposes of its institution being, as recited in the preamble to the act, "to establish a more humane system of punishment of

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crimes than that of death; to make an effort for a reformation of offenders against the public, and to make restitution and reparation for the injury done and for the expense of prosecution, confinement, &c."

Under the system of management first adopted, a keeper was appointed by the Governor, who, with suitable assistants, provided for by law, supervised the conduct of the institution in the hands of the State and at the expense of the State. This system, which, with slight modifications, was pursued until 1825, proved to be a constant and increasing charge upon the Treasury. At this time the State entered into a kind of copartnership with the keeper of the Penitentiary, and it was conducted on this plan, under various superintendents, until about 1856, during which time, as the reports show, large sums of money were made by the partnership, but still with loss to the State, the public expenditure, in keeping up the institution, largely exceeding her share of the profits. The system was then changed to the plan of leasing out for a term of years the prison shops, machinery, tools, &c., with the labor of the convicts, and that system has continued till now, the present lease expiring first of March, 1875. The leasing system has proved to be more costly to the State than either of the others. I have obtained from the Auditor a statement of the receipts from, and expenditures on account of, the Penitentiary, each year, beginning with October, 1857, and extending to October, 1872, which is as follows:

YEAR.	RECEIPTS.	EXPENSES.
1857	$7,740 98	$15,146 33
1858	6,600 00	11,798 52
1859	13,633 45	9,599 15
1860	None.	12,322 57
1861	25,200 00	42,248 40
1862	None.	2,807 90
1863	21,308 07	7,138 64
1864	600 00	None.
1865	None.	60,000 00
1866	12,600 00	38,917 00
1867	None.	98,561 27
1868	None.	56,820 79
1869	None.	6,424 50
1870	None.	None.
1871	None.	44,663 77
1872	9,912 15	28,083 53
Total	$97,594 65	$434,532 37
		97,594 65
Excess of expenditures		$336,937 72

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Showing an excess of expenditures within that period of $336,937 72. Whilst the State should neither make merchandise of her criminals for a profit to others, nor make penal labor a source of revenue, it is still desirable, and the General Assembly should see to it, that the support of such offenders shall not become a burden upon the good and law-abiding citizens of the Commonwealth. And inasmuch as the plans hitherto pursued for managing and employing our convicts have resulted only in a growing charge upon the public Treasury, it is time, as it seems to me, after seventy-four years unsuccessful trial of them, to seek improvement in some other method.

Three years ago this subject was considered by the General Assembly, and commissioners were appointed who visited many of the prisons of our sister States and made an able, and, I think, conclusive report, contrasting our faulty system with the more improved methods of other States. That report is upon the Journal of the Senate, December session, 1869, on pages 57 to 63, and shows that the Warden system, established and long used in the States of New York, Massachusetts, Ohio, and elsewhere, has proved much more successful than ours, and is not only self-sustaining, but actually yields a net profit annually to the State. A Penitentiary conducted upon such a system is under the control and management of men who represent the State, and manage it not for their own profit, but as directed by law for the accomplishment of the great ends and aims of its creation. This system proposes to keep the prisoner separate from the community whose law he has violated, and whose society he has forfeited; punish him for that violation, that others may be deterred from committing like offenses; compel him to hard labor to pay the expenses which the State has incurred in his prosecution and custody; and, in addition to this, strive to accomplish the still greater purpose of reforming, if possible, and restoring him to society a penitent and useful man. The officers placed in charge of the prison are appointed and paid by the State, and, not being allowed to have any pecuniary interest in the labor of the prisoners, have every inducement to labor faithfully for the ends proposed. As to the cost of this system, if our Penitentiary should be conducted with the same economy as those in other States where this system has been and is now being tried, it may be reasonably expected to become at least self-sustaining. For these, as we learn from the report of the commissioners above referred to,

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are so managed that the profits derived from the labor of the convicts—all working within the prison—are not only amply sufficient to defray all expenses, but yield a considerable annual surplus. Why should not a similar result follow the adoption of the plan in Kentucky? But even if such a success were not attained for a few years, and the institution under the new system should continue to be an expense to the State, its condition in this respect can hardly be worse than it is now, and has been for more than half a century; so that no fear on this score can be a proper ground of objection to the experiment.

But there is yet a higher and far more commendable motive for the proposed change—I mean the reformation of the criminal. In the theory which gives to a Penitentiary its birth and name, a merciful philanthropy has allied itself with administrative justice—not to rescue a felon from lawful punishment, but to redeem, if possible, a brother man from crime; it pities while it condemns, and loves whilst it chastens; it denies not to law its claims of retribution, but still forgets not that we live under "the ministry of reconciliation." Such a spirit and aim prompted the establishment of our own institution, as is shown in the preamble of the act which created it; and yet, as the almost inevitable consequence of our present system of management, our Penitentiary has long ceased to be, not only *de facto* but even in theory, a place of penitence—nay, popular opinion regards it as necessarily a school of crime; and unhappily, even with the more intelligent, the very idea of a discipline of reform is too often received with scornful incredulity. But the spirit of advancing civilization and of religion, the exigencies of government, and the welfare of society, will not permit us to accept such a conclusion. Fortunately the age in which we live does not accept it; and much of the best intellect and noblest charity of this century has been devoted to the subject of prison-discipline reform, and efforts for reclaiming the criminal population.

Patriotism and philanthropy alike feel that it is one of the greatest problems which society, for its own security, is compelled to solve; and amidst the diversity of schemes which the subject has evoked, in one thing all who have thought earnestly about it agree, that no plan of treatment can be of any real advantage to society, the tendency of which is not beneficent to the criminal himself. Of such serious and vital importance is this question, so profoundly has it interested the statesmen and philanthropists of all nations, that an International

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Congress was held at London last July, in which nearly all the States of the civilized world were represented by their delegates, in the hope of promoting a satisfactory solution of the subject; and although these discussions have by no means solved the dark problem, nor have the "model prisons" erected to realize their ideas fulfilled public expectation, or the hopes of their projectors, still they have helped to determine certain principles of great practical value in dealing with the subject. And, above all, the counsels of the wise and the charity of good men directed to the subject, have aroused a spirit of genuine and intelligent philanthropy, which will not rest until greater results are attained. Such a philanthropy makes no compromise with crime—has no sympathy with the morbid sentiment which is offended at the just punishment of a felon—but seeks to make that punishment a means of good—the discipline of a new life—which shall restore him to society "clothed and in his right mind." It is hopeful, because it believes that the inmates of our Penitentiary are not of necessity the worst of men; that a convict is often placed there, not because he is a monster of depravity, but as an offender against the law, to expiate some rash act to which he has been driven by the sudden violence of passion, or beguiled by the syren voice of some peculiar temptation. It hopes even that few can be so fallen, so utterly lost, that there cannot be found some chord in their better nature responsive to the touch of human or Divine love, which shall awaken memories of former innocence, and inspire longings for a better life.

It would not inscribe upon the gates of our Penitentiary, "whoever enters here must leave all hope behind," knowing that hopeless despair not only paralyzes every virtue in the human heart, but often seeks to forget its wretchedness in the delirious excitement of great crimes. On the contrary, its aim is to make the prisoner feel, that, though punished, he is not forsaken; that society has an interest in his welfare; is hopeful of a better future for him, and surrounds him with incentives to repentance and reformation of life.

By the adoption of a system of which these aims of philanthropy constitute a prominent feature, I feel assured that not only would the interests of humanity be subserved, but the claims of justice promoted. So long as our Penitentiary shall be regarded as an inevitable school of crime—a hopeless den of iniquity—offenders will continue to escape the penalty of the law, jurors will be loath, for a single offense committed by a citizen of otherwise fair char-

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acter, to doom him, not only to infamy and despair, but to the contagion of a moral pest-house, from which they believe he cannot escape but with the loss of every trait of virtue. They will be apt even to question the moral right of the State to punish the offense of its citizen by consigning him to certain and utter depravity. Numerous verdicts of acquittal have doubtless been determined by such considerations. It is the reformatory feature of the proposed system which has chiefly induced me to advocate its adoption.

No censure can attach to our present excellent keeper or his predecessors for the evils referred to. They are the fault of the system, and not of the officers, whose duty, I am satisfied, has been faithfully discharged. Indeed, it is difficult to see how they have done so well as they have under such a system.

It is well that this subject should be considered at this time of your meeting, when you will not be embarrassed with a pending election for another term under the present system; and that whatever change you shall in your wisdom deem proper to make, be enacted in a carefully prepared bill to take effect at the close of the present lease.

STATE HOUSE OF REFORM.

The Commissioners appointed pursuant to law, whose duty it was to "contract for the erection and inclosure of the State House of Reform for Juvenile Delinquents," made their report to me about the 25th day of September last, that the house and inclosures were completed and in readiness for the reception of convicts; and in accordance with the provisions of the statute, I issued my proclamation, and caused the same to be published through the State, making known the facts; and thereupon I caused the said buildings and inclosures to be placed in possession of the "Board of Managers" created by the 10th section of the act providing for the erection of the institution. Their report will fully inform you of its progress under their government. The State has entered upon this great enterprise in confidence of accomplishing much good; and now that there has been so much money already expended, and the institution is just beginning to be put in practical operation, I recommend that you reconstruct the laws upon the subject of its management, and make such provisions as will insure economy in expenditures and the success of the institution. It occurs to me that it is unwise to expend any more money in buildings or improvements till the num-

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of inmates and some fruits of success shall suggest a necessity for it.

CHARITABLE INSTITUTIONS.

Reports from those having charge of the Eastern and Western Lunatic Asylums, Feeble-minded Institute, Deaf and Dumb Asylum, and the Asylum for the Blind, will be laid before you, and will show a gratifying success in their beneficent labors during the past year, and their present condition. There is nothing upon which Kentucky may more justly pride herself than the munificent liberality with which she has endowed and cherished these noble charities. Although the appropriations made for their support consume more than one third of the annual revenues of the State, they have been uniformly indorsed by the people without a murmur. This generous indorsement by our constituents, whilst it encourages us to be liberal, should make us feel under increased obligations to use a wise economy in such expenditures. And yet, great as is our present disbursement for such objects, I feel constrained, in the cause of suffering humanity, to recommend an additional outlay for the relief of an afflicted and helpless class of our fellow-beings. Large numbers of those afflicted with insanity cannot be received and treated in the Asylums for the want of room. Many of these unfortunate beings are confined in the common jails of the State; others have died there during the past year; and still others are confined and guarded in private families. I most respectfully refer to the observations and recommendations on this subject contained in my former message, and only propose to say now that another year's experience strengthens and confirms my convictions therein expressed, and constrains me to again respectfully urge that you make provision for the care and treatment of this entire class of unfortunates.

The report from the Eastern Asylum, situated at Lexington, shows the need of a small outlay of money to afford them better supplies of water. The sum asked for is not extravagant, and I recommend that the appropriation be made.

In connection with this subject, I most respectfully call your attention to the allowances by law for the support of pauper idiots. The State has provided with a liberal hand for the insane, the deaf and dumb, the blind, and the feeble-minded child; but its aid to the more unfortunate idiot is by far the most scant measure of charity bestowed upon any of our objects of beneficence. This class of dependents are usually among the poorest people in the State, and

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their surroundings the humblest and most uninviting. None but the mother or other near relative could afford to nurse and care for them even for a large compensation; and yet whilst the State has appropriated large amounts for the benefit of the lunatic, this most needy class of all has an annual per capita allowance of only fifty dollars. I feel it my duty, moreover, to remind you of the further fact that we have within our State a number of idiotic colored persons, who, in former days, had kind masters, who sheltered, clothed, and fed them, and had them tenderly cared for, but are now deprived of such care and protection. They are providentially left amongst us dependent upon the public charity, and the claims of common humanity demand that they should be provided for as well as the lunatic of the same race. We have provided for the latter, and if the law does not already provide for the former, it should be made to do so. I recommend that you increase the allowance to the pauper idiot, at the same time putting into the act the most stringent provisions to prevent fraud and imposition upon the Treasury.

MILITIA.

The importance of amending the militia law of the State, with a view to securing a more ready and useful active militia, in cases of necessity, as well as keeping up an organization, was stated and recommended in my last message. I have only to say, further, that the occurrences of the past year have made these necessities more manifest; and I shall cordially co-operate with you in any bill you shall pass securing these desirable ends.

HON. GARRETT DAVIS.

It becomes my melancholy duty to announce to you that, since your last assembling together, another name has been inscribed upon the roll of Kentucky's illustrious dead. Hon. Garrett Davis, late representative of this Commonwealth in the Senate of the United States, has closed a long and useful life, distinguished alike for private virtues and eminent public services. Honored with various public trusts for the last forty years, in both the State and Federal councils, he brought to the discharge of his duties a zeal and ability which amply repaid the confidence reposed in him, and won him a place among the foremost public men of his day. Firmly grounded in his political principles, honest in his convictions, ardent and bold in battling for what he thought the right—he was at once an indom-

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able party-leader and a conservative statesman. Warmly attached to the union of the States, he was unwilling that it should be maintained at the expense of the Constitution and of the rights of the States; and when he thought these great interests imperiled by the revolutionary measures and novel legislation which succeeded our late civil strife, he stood forth the gallant and unflinching champion of the rights of his State and of all the States. The purity of his life and the integrity of his patriotism, whilst they commanded the respect of his peers and the confidence of his constituents, will make his memory dear to every true lover of his country.

To honor a wise and good public servant is to do honor to ourselves; and I am sure that you need not my recommendation to place on record a suitable testimonial to the worth and faithful services of the departed statesman.

I have appointed and commissioned Hon. Willis B. Machen, of the county of Lyon, to fill the vacancy occasioned by this sad affliction, in the full confidence that the interests of the State intrusted to his hands will be ably and faithfully maintained. It now becomes your duty to fill that vacancy till the end of the term for which Mr. Davis was elected.

HON. JAMES A. M'CAMPBELL.

I regret to announce the death of Hon. James A. McCampbell, who was elected at the August election, 1871, as the Representative of Jessamine county, and who was at his post with you through your session of last winter. He died on the 25th of December, 1872, at his home, among his family and constituents. Upon being officially notified of his death, I issued the proper writ for an election to be held on the 11th day of January, 1873, to fill the vacancy occasioned by his death.

INSURANCE.

Since the adjournment of the Legislature in March last, the Report of the Insurance Commissioner upon the business of 1871 has been published, to which I call your attention as giving important information in connection with this comparatively new branch of the administrative department of the State Government.

The experience of the people of this State in the transactions of the Globe, Kentucky, and some others of the so-called insurance companies, thoroughly aroused them to the necessity of some legal protection against the recurrence of such frauds as were practiced by them, and in 1870 general insurance laws were enacted, placing

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under the supervision of a Commissioner all insurance companies doing business in the State.

Insurance needs watching. Sound and well-conducted companies desire it, and those not so must be forced to submit to it. The amount of money involved is enormous, and the public is entitled to all the protection in this respect that can be given by wise laws well administered, through competent officers. I renew the recommendations made in my last message in regard to the Insurance Bureau. An act was passed, entitled "An act to authorize Life Insurance Companies to make special deposits of securities in the Insurance Department." This law makes the State assume to guarantee the safe-keeping and proper application of certain funds of Life Insurance Companies. It was never clear to my mind that this risk should be assumed by the State, or that, under the Constitution, the Legislature could make the whole people responsible for the safe-keeping and proper application of the funds of a Life Insurance Company. It savors too much of the State becoming the guarantor of the insurer, or of lending her credit in aid of a private corporation. It is no doubt better for the limited number who hold registered policies that this safe-keeping and proper application of the whole net value should be guaranteed by the State; but it is a broad departure from those principles which have long characterized the public polity of this State for the Commonwealth to take the risk of keeping and applying the funds of a corporation, without any benefit arising therefrom to the State. The funds thus placed in the care of the State are not cash funds, but mortgages on *what is said* to be unencumbered real estate—*said to* be worth double, or at least greatly more than the amount of money loaned thereon. These deposits may amount nominally to many millions of dollars; but the State authorities cannot, in the very nature of things, know their real value, nor the trouble and expense of realizing the money upon them.

I am informed by the Insurance Commissioner that a certain company, pursuant to the provision of this law, deposited with the said Commissioner and State Treasurer a large amount of securities, consisting of notes and mortgages on real estate, for moneys loaned by the company, all executed in due form, and of which notice was properly given. Notwithstanding, copies of these securities were obtained by another Insurance Company, claiming some sort of interest in them, and suits were brought and judgments obtained, and

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a sale of the mortgage property was only prevented by the intervention of the Attorney General on behalf of the State. This transaction shows the instability as well as insecurity of such pledges. The effect of the law is to give to the company making the pledge a factitious credit and standing with the people, unless, indeed, the State is responsible to the policy-holders for the amount of the pledge—a question which I do not now propose to discuss. But whether legal responsibility attaches or not to the State, the language of the act is broad enough to authorize an equitable claim, such as the Legislature would find difficult to ignore, and all this, too, in a matter in which the State, under no contingency, can derive a particle of benefit. I was so impressed with doubt and distrust of this legislation at the time the bill passed, that I declined giving it the approval of my signature, and I now respectfully recommend its repeal before further liabilities shall be incurred by the State.

In a recent communication to the Auditor, the Insurance Commissioner has reported the main facts in reference to an examination of the affairs of the Globe Mutual Life Insurance Company, of New York, commenced by him, which the company evaded by withdrawing from the State. It is difficult to see how cases of this kind can be provided for by legislation of this State; but it is important that the people should know, that, under existing laws, an Insurance Company not organized by authority of this State can escape legal examination by the Insurance Commissioner of Kentucky by withdrawing from his jurisdiction. I trust that in your wisdom some measure may be devised to guard against such license.

GEOLOGICAL SURVEY AND IMMIGRATION.

These two important subjects were discussed at some length in my former message. I am so profoundly impressed with their value to the people of the State that I cannot forbear again most respectfully and earnestly inviting your attention to their consideration. They are subjects exciting the interest and favorable action of our sister States, and certainly none have more to expect from the advantages they offer than our own. I can conceive of few enterprises in which the State could embark that would yield richer returns to our people.

RAILROADS.

It is gratifying to note the healthy progress of railroad development in the State during the past year, notwithstanding a certain

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financial stringency which has prevailed throughout the country. Since your last session, the Elizabethtown and Paducah Railroad, 185 miles in length, has been opened for travel, and already shows its beneficial results in bringing into closer communication portions of the State which have heretofore been isolated or only accessible by circuitous routes. Penetrating as it does the western coal and iron fields of Kentucky, it is already developing rich mines of the former, the products of which are finding their way to market, and thus securing a double purpose in furnishing a cheaper fuel, and relieving us from the wasteful drain heretofore incurred in receiving our supplies of coal wholly from other States. The valuable beds of iron ore along the line of the road are also thus brought to the attention of capitalists, and we shall doubtless soon see the mining interest of this portion of the State an important source of revenue to its citizens.

I am gratified also to know that while the western portion of the State has been thus benefited, incorporated capital has been equally active in looking to a similar development of the rich eastern counties. The Elizabethtown, Lexington, and Big Sandy road has been completed from Lexington to Mount Sterling, and during the current year will be pressed forward to the mouth of the Big Sandy, to connect with the Chesapeake and Ohio. The latter road, extending from Richmond, Virginia, to Huntington, on the Ohio river, a distance of more than four hundred miles, is approaching completion, and will in a few weeks be open for travel. Although it lies beyond our territory, its importance, as the opening of a new trunk-line of communication between tide-water and the Ohio Valley, justifies me in hailing its completion as an event fraught with great interest to Kentucky. When the Elizabethtown, Lexington, and Big Sandy Railroad, which pierces our eastern, as the Paducah road does our western, coal and iron fields, shall have been completed, we shall then have an unbroken line of communication with the eastern and northern cities, which, by its easier grades and shorter distance, cannot but contribute largely to the more economical shipment of our productions, as well as the general development of our mineral and agricultural resources.

Other roads of scarcely less importance are in course of construction, and the day is not far distant, I hope, when the facilities for travel may be such that it may be true here, as in some of our sister

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States, that every county seat can be reached from the Capital, and the return journey made in twenty-four hours.

STATISTICAL BUREAU.

I heartily renew a recommendation made by my predecessor, in his annual message at the session of January, 1869, for the establishment of a Statistical Bureau. I am frequently called upon for statistics of the Commonwealth, which neither the Executive nor any other of the State offices can supply. In the message referred to, the Governor calls attention to the fact that no care had been taken of State publications; that it would be difficult to find a connected series of the Auditor's and Treasurer's Reports. But even were this cared for, it would not meet the wants of the case. Something more than an office for the custody of public documents is needed. The statistical information contained in the annual reports of the several administrative departments is not only meager, but, being for the most part undigested, is rarely available or satisfactory to the inquirer. An office of General Statistics is required. It is strange that a species of knowledge so important to the political economist, the philanthropist, and to every branch of industrial enterprise, as well as of the highest practical value to the statesman, should have been so long and so entirely neglected. How often is the legislator embarrassed for the want of such information, and, after long and laborious research, forced to content himself with a scanty and unsatisfactory statement of facts which such a Bureau could have, perhaps, in a few minutes, amply supplied. Should you determine upon the establishment of such a department, I trust that it will be made comprehensive in its scope, embracing vital, social and physical, as well as political, statistics. The agricultural, mechanical, commercial, educational, in short, all the important interests of society, should be included within the sphere of its labors. Nor will the purpose of its institution be accomplished by merely exhibiting the actual condition of these interests. It should be its duty to collect, digest, and at times publish, such facts and information as would tend to develop and perfect them. Its library, therefore, should contain not only the State publications and others properly and technically statistic, but works of applied science and treatises of practical value in the useful and economic arts.

I am satisfied, moreover, that the information derived from such a Bureau, properly digested and diffused among the European popu-

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lation, would be effective in inducing many of the better class of immigrants to seek homes in this State. A department of this nature can avail itself, to a great extent, of the agency of all the departments of government in collecting the facts for its use. The cost of such an institution need not be great, whilst I am well assured the benefits to the public will be valuable for all time to come.

THE VIENNA EXPOSITION.

An event, in which all the nations of the civilized world are manifesting an interest, will take place at Vienna, Austria, in May, in the holding of an Exposition for the manufactures and products of every country. The United States Government has appointed a Commissioner to make proper arrangements for the exhibition of articles sent from this country, and I have received communications inviting the co-operation of the General Assembly and people of Kentucky to secure a proper representation of our products and manufactures. I commend the subject to your attention, and, without going into the details of any plan for effecting the object, suggest that, if properly improved, it may be made the occasion for a most favorable presentation to Europe of the advantages which Kentucky presents fo the industrious immigrant, or the capitalist seeking investment i mines or manufactures.

THE CENTENNIAL.

The proposition to signalize the Centennial Anniversary of th Declaration of Independence has assumed form, and it is pr posed to hold a grand International Exposition at Philadelphi Various suggestions have been made as to the action which shou be taken by the States to promote the success of the occasion; b as no scheme has been presented for uniform action, and the wh undertaking not sufficiently developed in its scope, nor the ter upon which we are invited to participate, I limit myself to a m mention of the subject, without specific recommendation of a kind.

EDUCATION.

In the age in which we live, alike distinguished for its achie ments in science and the arts and for the advancement of learn and the general diffusion of knowledge, the subject of education almost, of necessity, not only become matter of the deepest inte to society, but claims and receives the protection and fostering

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of government. When the aid of the State was first invoked, there were found some strict theorists, who, believing that Governments in their proper sphere are limited to the protection of material interests, and that the support of education, like that of religion, should depend upon the voluntary principle, felt grave doubts as to the propriety of its intervention. But the magnitude of the interests involved in it as a practical question soon silenced every voice of opposition, and to-day there is no department of State administration more honored or appreciated than that of public instruction. We begin to realize that the children of the State are its most precious treasure, and that among the trusts committed to those in authority there are none higher nor more sacred than that of providing for the training of our youth in knowledge and virtue.

I call your attention to the very able, explicit, and satisfactory Report of the Superintendent of Public Instruction for the last school year. No friend of education will read that paper without feeling renewed interest in the subject. It will be seen that the school attendance has been increased by nearly eleven thousand children during the past year, and that but seventy-three of the 5,381 school districts in the State failed to have schools taught under the law.

The steady increase of interest among the people, as manifested from year to year, and the indomitable energy which the head of the department brings to the work, inspire us with the fullest confidence that very soon every school district in the State will gather up its children and put itself on record as part of this great enterprise.

It is a matter of the highest moment that the people of Kentucky shall, with one accord, and at once, determine upon having and sustaining a system of common schools.

Whatever political or other differences may obtain among us, this is one about which we cannot afford to differ. It is, and should be, the pride of the State to preserve her own schools, regulated and controlled in her own way, and to keep in her own hands the education of her children. We have witnessed various efforts that have been made to induce the Congress of the United States to set up a system of "National Education," which, if done, would virtually take away from the State the control of this subject. It is alarming to contemplate the success of such a scheme. Its direct and inevitable tendency would be to destroy our identity as States and as the people of separate States; to promote at once the consolidation and

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centralization of all political power in a Federal Government, and alter at least those forms and institutions of freedom which we have ever regarded as essential to the maintenance of our constitutional liberty.

It will become your duty to make such enactments as will cure any defects discovered in the workings of our school laws, so as to render them more efficient in securing instruction to every part of the State. The success which the system has attained in the past is doubtless, in a great degree, attributable to the perseverance and industry with which our Superintendents, traversing the State, have in person urged its claims upon the people; and this means of securing further strength to the cause ought not to be allowed to cease. In order to defray the expenses necessarily incurred in accomplishing a thorough canvass of the State, as well as to supply clerical force needed in the office, I recommend an increase of the compensation allowed by law to the Superintendent.

I most respectfully again call your attention to the recommendation made in my last annual message on the subject of organizing a system of education for our colored population. The education of this race is not a duty of charity alone, but is demanded by the best interests of society. They form a numerous class of our citizens, sharing with us in civil and political rights, upon whom, too, we are largely dependent for carrying on the industry, especially the agriculture, of the State; and just in proportion as they shall be left in ignorance and vice, or improved in morals and intelligence, by the discipline of a suitable system of education, they will become to the Commonwealth, on the one hand, an incubus of pauperism and crime; on the other, a useful part of our population. Many of these people are struggling hard in the direction of educating their children, and have shown a wonderful measure of success. I trust you will not fail to provide for a system of schools for this portion of our population, and offer them encouragement and assistance in this important department. Should such a system be adopted, and provision made for the free education of all the children of the Commonwealth between the ages of six and sixteen years, Kentucky would be entitled, under the law of Congress, to her *pro rata* share in the net proceeds of the public lands, which could be either appropriated as an ample provision for the education of the colored race in the State, or divided between them and the schools for whites, as may be thought best.

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PUBLIC OFFICES.

The Auditor and Treasurer having removed to the offices provided for them in the new fire-proof building, I caused to be fitted up the old offices, and assigned them to the Clerk of the Court of Appeals, Quarter-Master and Adjuant General. I have also caused to be surrendered to the owner the private room heretofore rented on account of the State for the storage of books, and have had the books deposited in one of the unfinished rooms in the new State building. The State has thus been relieved of three items of rent, and the Court of Appeals room from the encumbrance of the Clerk's office. There are yet other public officers who cannot be accommodated on the Capitol Square. Moreover, the Library rooms in the Capitol are fast filling up, and their capacity will soon be exhausted. It is of the utmost importance that the State shall cease to be a renter from individuals, and that sufficient accommodations be provided on the public grounds for all her offices, and for the safe-keeping of the public property pertaining thereto; and also, that some further safeguards be provided by law for the protection of the State's grounds, Capitol, and other public buildings. I therefore recommend again that you pass such bill as will insure the early completion of the new edifice commonly called Fire-proof Offices.

The State Arsenal is situated on a lot of land covered entirely by the building, except a narrow space leading to the street on one side. The land all around it, except this narrow outlet, is owned by a private citizen, who has placed it upon the market. He owns from three to five acres adjoining the lot on which the building stands, all now lying out as commons. It would be very inconvenient to the State for these lands to be inclosed, and thereby all access to her armory, except by means of the one narrow way above mentioned, cut off. I therefore recommend that authority be given to purchase, for the State, so much of those lands as will be needful for her purposes.

REVISION OF STATUTES AND CODES OF PRACTICE.

Pursuant to the requirements of an act of the Legislature, the Judges of the Court of Appeals and myself nominated to the Senate five gentlemen as Commissioners to revise the Statutes and Codes of Practice, which nominations were confirmed by the Senate. Hon. R. T. Davis, one of the Commissioners, subsequently declined to ac-

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cept the position, of which I was notified, but not in time to fill hi place on the commission before the adjournment of the Genera Assembly. Judge James M. Nesbitt was afterwards appointed an accepted the position. Thus the commission was made up of Hon James M. Nesbitt and Hon. E. I. Bullock for revision of the Statutes and Hon. Richard A. Buckner and Hon. Josh. F. Bullitt for th Codes of Practice, and Judge George W. Craddock umpire of bot boards. The Commissioners entered at once upon the importan work assigned them with a commendable zeal, and have applie themselves assiduously; but whether they will be enabled to make final report to the General Assembly at the present meeting, I an not advised. I am informed that the revisors of the Statutes wil have their work in a condition to lay it before your honorable body if not complete in all respects, in such a state of forwardness as t enable you to judge of its merits and to pass upon it. A revisio of the Statutes and Codes of Practice having been determined upo by the Legislature, it should be thorough and well done. I fear th time provided for its completion in the act will not be sufficient t secure the benefits to the public interest that was expected by th friends of the enterprise. To codify and properly arrange the whol body of the laws of the State is not a work of ordinary magnitude I feel assured, from the high standing in their profession of the Com missioners in charge of this important work, that their reports wil show the wisdom of their selection, in the successful accomplishmen of the task assigned them.

SPECIAL LEGISLATION.

Assembled again, as you are, at the Capitol of the State, to con sult and deliberate upon the great subjects of general and publi interest to the Commonwealth, I most respectfully recommen that you do not allow your time to be employed, or the peopl of the State to be taxed, for any measures or schemes of a local an private character, where the object sought can be attained in th courts. And if our laws are not sufficiently comprehensive for tha purpose, I suggest that they be amended so that the courts ma grant the relief or privileges which have hitherto consumed so muc time, and been so burdensome upon the Public Treasury.

In conclusion, I invoke your earnest attention to the subjects I hav herein laid before you, as well as such others as may arise durin

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